

~~TOP SECRET~~APPROVED FOR
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THE OVERALL CLASSIFICATION OF THE TABLE OF CONTENTS IS TOP SECRET

CONTENTS

LATE DEVELOPMENT

PERU: TERRORISTS SEIZE JAPANESE AMBASSADOR'S RESIDENCE

MEMBERS OF THE TUPAC AMARU REVOLUTIONARY MOVEMENT (MRTA)--A MARXIST GUERRILLA ORGANIZATION--SEIZED UP TO 300 HOSTAGES AT THE RESIDENCE IN LIMA LAST NIGHT DURING A CELEBRATION OF JAPAN'S NATIONAL DAY. THE HOSTAGES INCLUDE SEVERAL US OFFICIALS--BUT NOT AMBASSADOR JETT--FOREIGN MINISTER TUDELA, NUMEROUS FOREIGN AMBASSADORS, AND MEMBERS OF THE PERUVIAN CONGRESS.

-- THE TERRORISTS THREATENED TO EXECUTE HOSTAGES UNLESS IMPRISONED COLLEAGUES ARE RELEASED, BUT THERE HAVE BEEN NO INJURIES REPORTED SO FAR.

-- INTERIOR MINISTER BRIONES IS NEGOTIATING WITH THE TERRORISTS.

THE MRTA SUFFERED A SERIOUS SETBACK LAST DECEMBER WHEN AUTHORITIES RAIDED ITS SAFEHOUSE JUST BEFORE A PLANNED ATTACK ON THE PERUVIAN CONGRESS. TERRORISTS AT THAT TIME PLANNED TO DEMAND THE RELEASE OF IMPRISONED LEADERS IN EXCHANGE FOR HOSTAGES.

//THE INCIDENT IS AN EMBARRASSMENT FOR PRESIDENT FUJIMORI, WHO HAS RECEIVED HIGH MARKS FOR HANDLING THE INSURGENCY BUT HAS SEEN HIS POPULARITY DECLINE THIS YEAR LARGELY BECAUSE OF HIGH UNEMPLOYMENT. UNLESS THE GOVERNMENT CAN RESOLVE THE SITUATION QUICKLY AND SUCCESSFULLY, PUBLIC CONFIDENCE IS LIKELY TO DECLINE FURTHER.//

-- FUJIMORI'S FIRM HANDLING OF TERRORISTS IN THE PAST INDICATES HE WILL NOT RELEASE THE IMPRISONED TERRORISTS.

-- THE MEETING ON FRIDAY IN BRASILIA TO INSTALL THE PERUVIAN AND ECUADORIAN COMMISSIONS FOR NEGOTIATING THEIR BORDER DISPUTE WOULD BE IN JEOPARDY IF TUDELA WERE STILL BEING HELD HOSTAGE.

18 Dec
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